SOCIAL SECURITY ADMINISTRATION

Medicare Prescription Drug Program Application Process for Extra Help

State MMA Program Orientation

SSA Medicare Planning Task Force Baltimore, Maryland

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Introduction

The Medicare Prescription Drug, Improvement and Modernization Act of 2003, was signed in December 2003. One important part of this new law that affects the Social Security Administration and the States is the Medicare Prescription Drug Program. This new program will offer prescription drug coverage to Medicare beneficiaries. The Medicare Prescription Drug Program will also offer Medicare beneficiaries who have limited income and resources, extra help with the drug plan premiums, the annual deductible and co-payments. There is an initial open enrollment period from November 15, 2005 through May 15, 2006, that will allow beneficiaries to enroll in a Medicare prescription drug plan and apply for the help with drug plan costs.

Social Security will begin its outreach campaign in April 2005 followed by a mass mailing of applications from late May through mid-August 2005. Social Security will begin processing these applications for help with prescription drug costs July 2005. Beneficiaries will be able to file for the extra help in an advance period continuing from July 2005 through November 15, 2006. There will be subsequent enrollments periods for Medicare prescription drug plans and help with prescription drug plan costs each year.

Both Social Security and the States will take and process applications for help with the drug plan costs under the Medicare Prescription Drug Program. Social Security has developed a scannable paper application and an Internet application **for beneficiaries who are not deemed eligible.**Beneficiaries who are not deemed eligible for assistance may apply for the help. They must have limited resources and income below 150% of the Federal Poverty Level to be eligible.

Beneficiaries who are deemed eligible for the subsidy do **not** need to complete a subsidy application. The Centers for Medicare & Medicaid Services will automatically provide the assistance.

A screening tool for eligibility for help with prescription drug costs, called the subsidy qualifier, will be available on the Internet on May 2, 2005, at www.socialsecurity.gov and can be used prior to filing the application to determine if a beneficiary is eligible. An application should be taken if there

is any doubt as to eligibility, regardless of what the screening tool results show.

States may use either the scannable paper application or the Internet application to assist Medicare beneficiaries in applying for the assistance. If the scannable application is used, mail the completed form to the Social Security centralized processing location in Wilkes-Barre, Pennsylvania.

The purpose of this orientation package is to provide you, the State employee, with the information you will need to help you assist Medicare beneficiaries to successfully complete and submit the Social Security "Application for Help with Medicare Prescription Drug Plan Costs". A module with information about the Social Security Internet application is included in this package. The Internet application will be available online July 1, 2005. Social Security anticipates this program orientation will take about two hours. This package is not designed to train you for the eligibility determination processes of individual states.

Social Security looks forward to partnering with the States to assist Medicare beneficiaries applying for help under the new Medicare Prescription Drug Program.

SOCIAL SECURITY ADMINISTRATION

Medicare Prescription Drug Program Application Process for Extra Help

Module 1

Background

MODULE 1 - Objective 1

The Parts of Medicare

Medicare is a health insurance program administered and funded by the Federal Government. The Centers for Medicare & Medicaid Services (CMS) has the primary responsibility for the Medicare program. CMS is an agency under the Department of Health and Human Services.

Medicare provides health insurance for:

- Individuals age 65 and older;
- Disabled individuals who have received disability benefits for 24 months, including those with Amyotrophic Lateral Sclerosis-ALS (Lou Gehrig's disease) which does not have a 24-month waiting period for Medicare; and
- People who have permanent kidney failure known as end-stage renal disease (ESRD)

There are different aspects to Medicare:

- 1. Hospital Insurance (Part A)
- 2. Supplementary Medical Insurance (Part B)
- 3. Medicare Advantage
- 4. Medicare Prescription Drug Program

The Hospital Insurance (Part A) is financed through FICA taxes. Twenty-five percent of the Supplementary Medical Insurance (Part B) is financed by monthly premiums paid by beneficiaries with the 75 percent of the balance coming from general revenues. Beginning January 2007, the percent paid from general revenues for Part B premiums will decrease for beneficiaries who have an annual income above \$80,000. Medicare Advantage allows Medicare beneficiaries to receive Part A and Part B services from a private health plan. The new Medicare Prescription Drug Program that is effective January 1, 2006, provides prescription drug coverage for Medicare beneficiaries and is also administered by CMS. Medicare beneficiaries will enroll in a Medicare prescription drug plan and pay a monthly premium,

have an annual deductible and make co-payments for prescriptions. Certain Medicare beneficiaries with limited income and resources are eligible for assistance with the costs of the premiums, annual deductible and co-pays.

Part A - Hospital Insurance

Part A helps with the cost of inpatient hospitalization and related care. Most people do not pay a premium for Part A. Coverage consists of:

- Inpatient hospital services;
- Skilled nursing facility (SNF) services;
- Some home health benefits; and
- Hospice care

Part B - Supplementary Medical Insurance

Part B helps with the cost of medical and other outpatient services (including home health care) which are not paid for by Part A. It is a voluntary program; that is, qualified persons can enroll in the program or have the right to refuse or terminate their coverage. There is a cost for Part B and the premiums usually change from year to year. States pay the premium for some low-income beneficiaries.

Medicare Advantage

Medicare Advantage expands health care options to include coordinated health plans, private fee for service plans and medical savings accounts. Direct ALL inquiries about Medicare Advantage to 1-800-MEDICARE.

Medicare Prescription Drug Program

Enacted in 12/03 and effective 1/06, prescription drug coverage is a new part of Medicare. Medicare Prescription Drug Program providers will offer private plans and will contract with Medicare to provide prescription drug coverage to Medicare beneficiaries. The Medicare Prescription Drug Program also offers assistance to help pay some or all the costs of the premiums, deductible, and co-payments for certain beneficiaries with limited income and resources.

MODULE 1 - Objective 2

Medicare and Medicaid

Medicare

Medicare is a national program administered and funded by the Federal Government. It offers the same benefits throughout the United States.

• Beneficiaries go to Social Security or the Centers for Medicare & Medicaid Services for Medicare questions.

Medicaid

Medicaid is administered jointly by the Federal Government and each State. As a result, Medicaid differs and even has different names from State to State. For example, in California it is known as "Medi-Cal" and in Arizona it is known as "AHCCCS."

- Medicaid eligibility is related to the financial need of the applicant; Medicare eligibility is not.
- Beneficiaries go to their State resource office for Medicaid questions. In some States this may be the local welfare office.

MODULE 1 - Objective 3

Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA)

Drug Discount Card

MMA established a voluntary drug discount card program, administered by CMS. The drug discount card is available for all Medicare beneficiaries, except those with Medicaid outpatient prescription drug coverage that is administered by CMS. The drug discount card:

- Enrollment began May 3, 2004 December 2005. Program can continue until May 15, 2006 if a beneficiary is not enrolled in a prescription drug plan.
- Beneficiaries can get a Medicare-approved drug discount card from a drug card sponsor or through their Medicare Advantage plan that offers a Medicare-approved drug discount card;
- Has an annual fee of up to \$30 (depending on the plan); and
- Provides low income beneficiaries (no resource test) with an annual \$600 credit toward the cost of prescription drugs for 2004 and 2005 (and through 2006 if not enrolled in a Medicare prescription drug plan).
- Social Security makes referrals to 1-800-MEDICARE.

Medicare Prescription Drug Program

MMA established the voluntary Medicare Prescription Drug Program for all Medicare beneficiaries residing in the 50 States and the District of Columbia who have entitlement to Part A or are enrolled in Part B. The Prescription Drug Program:

- Is effective January 1, 2006;
- Medicare beneficiaries get Medicare prescription drug coverage from a Medicare prescription drug plan (PDP) or a Medicare Advantage Prescription Drug Plan (MA-PD);

- To select a plan under the Medicare Prescription Drug Program, there is an Initial Open Enrollment Period for people who are currently eligible for Medicare, or who will become eligible for Medicare in November 2005, December 2005 or January 2006. The Initial Open Enrollment period is November 15, 2005 May 15, 2006.
- Plan has a monthly premium that averages \$37 (depending on the plan).

Help with Medicare Prescription Drug Plan Costs

- Provides certain beneficiaries with limited income and resources full or partial assistance with the premiums, deductible, and co-pays for prescription drugs.
- Beneficiaries are considered "deemed" or "not deemed" eligible. The deemed population do not have to file an application and are automatically eligible for assistance.
 - □ **Deemed Population** Medicare/Medicaid dual eligibles, SSI/Medicare recipients and those covered by Medicare Savings Programs (QMB, SLMB and QI) are deemed eligible for assistance. States and Social Security will identify to CMS the deemed population and CMS will consider them automatically eligible. CMS will notify the deemed population in May and June 2005 advising them they are eligible and there is no need for them to file an application for help with drug plan costs. If the Medicare/Medicaid beneficiaries do not select a plan between November 15, 2005 through December 31, 2005, CMS will automatically enroll these full-benefit dual eligibles (who have Medicare and full Medicaid benefits) in a prescription drug plan as of January 1, 2006. CMS will notify them that they can change to another Medicare prescription drug plan of their choice at any time. These beneficiaries will no longer have Medicaid Prescription Drug coverage beginning January 2006. This program is the replacement for it.
 - Deemed Population (not Duals) Towards the end of the initial enrollment period (i.e., May, 2006), CMS will also facilitate enrollment into a plan for the remaining deemed population that did not select a plan. This group includes those with SSI/Medicare, as well as the Medicare Savings Program beneficiaries (QMB,SLMB, and QI). CMS will inform them of their Medicare prescription drug

plan and that they will have a one-time opportunity to change to another Medicare prescription drug plan of their choice without waiting for the next enrollment period of November 15, 2006 and December 31, 2006. Their coverage will be effective June 1, 2006 if they did not select a plan on their own during the initial enrollment period. They have the right to decline this coverage.

□ Not Deemed Population – Medicare beneficiaries who are not deemed eligible for the help with drug plan costs must have limited resources and income below 150% of the Federal Poverty Level in order to be eligible for the assistance. Those not deemed must apply for the extra help. Applications for the not deemed population will be taken and processed by Social Security or if the beneficiary prefers, the States. States may assist these beneficiaries to complete the scannable paper application or the internet version on Social Security's web site (available July 2005) and then submit it to Social Security for processing. If a State completely processes an application, then the State will have to send its data directly to CMS using the application/procedure or system required by the State and CMS.

Social Security and CMS will encourage beneficiaries to select a plan. However, for those who have not selected a plan, towards the end of the initial enrollment period (i.e. May, 2006), CMS will facilitate the enrollment of the not deemed beneficiaries, who have applied and been determined to be eligible to receive full or partial help with drug costs, into a Medicare prescription drug plan with coverage effective June 1, 2006. The notice will inform them that they can decline or opt out or change plans during a one-time opportunity prior to the next enrollment period of November 15, 2006 to December 31, 2006. CMS is the resource for additional information concerning facilitated enrollment and plans.

- There will be an advance application filing period that will begin July 1, 2005. Not deemed beneficiaries are encouraged to file early so they can make informed financial decisions about enrolling in a Medicare prescription drug plan.
- The Initial Enrollment Period for the Medicare Prescription Drug Program will run from November 15, 2005 through May 15, 2006 for people who are currently Medicare eligible or who will become Medicare

eligible in November 2005, December 2005 or January 2006. Beneficiaries should select the plan of their choice during this period. Not deemed beneficiaries may also file an application for help with their drug costs during this initial enrollment period. They can also file this application during the advance filing period starting July 1, 2005. The earlier they file an application, the earlier they can find out if they are eligible for extra help.

- Beneficiaries can apply for the assistance with drug plan costs before or after they enroll in a Medicare prescription drug plan.
- Not deemed beneficiaries who are denied the extra help with drug plan costs can still enroll in a Medicare prescription drug plan with a PDP or MA-PD of their choice.

MODULE 1 - Objective 4

Roles and Responsibilities of Social Security, Centers for Medicare & Medicaid Services and States

Social Security, Centers for Medicare & Medicaid Services and States all play important roles in the Medicare Prescription Drug Program enrollment and the application process for help with drug plan costs.

State Responsibilities:

- States and Social Security identify to CMS the deemed population and CMS considers them automatically eligible for help with drug plan costs. States process ongoing redeterminations and appeals, if terminated, for the dual eligibles (Medicare/Medicaid) and Medicare Savings Program beneficiaries. The States' normal eligibility and redetermination processes will continue. For the SSI beneficiaries who have Medicare, but not Medicaid, the Social Security appeals and redeterminations process will continue to be used.
- Help beneficiaries not deemed eligible to complete and submit applications.
- Screen those applying for assistance with drug plan costs for Medicare Savings Programs that provide Medicaid assistance with Medicare cost sharing (QMB, SLMB, QI).
- Utilize Social Security's "Application for Help with Medicare Prescription Drug Costs". This may be done by:
 - Using the Internet; or
 - Using the Social Security scannable paper applications and mailing them to the Social Security Wilkes-Barre Data Operations Center (WBDOC) Do not use photocopies of the application or additional folds. The application will not scan properly; or
- Utilize a State eligibility process for help with prescription drug costs for the not deemed population and forward determinations to CMS. This also includes redeterminations and appeals related to eligibility denials.
- Participate in train-the-trainer sessions provided by Social Security.
- Roll out training to remaining State employees.
- Social Security scannable paper applications will be mailed to the States and supplies of the applications will be available for the States in Social

Security regional offices and field offices. Do not use the PDF version that will be available on the Social Security site because it is not scannable.

- Coordinate outreach activities with CMS.
- Make proper referrals to:
 - □ CMS at 1-800-Medicare; or
 - □ Social Security at 1-800-772-1213

Social Security Responsibilities:

- Coordinate Social Security Medicare Prescription Drug Program related outreach activities with CMS nationally and in the regions. Social Security will assume the primary responsibility for coordination of Medicare Prescription Drug Program outreach activities on the Application for Help with Medicare Prescription Drug Costs.
- Provide training to Social Security front-line employees about the assistance and the Medicare Prescription Drug Program and explain Social Security's role. Social Security will delineate the roles of CMS, the States, PDPs and MA-PDs.
- Provide national scripts and talking points on Social Security's role to CMS. This will be used for CMS' 800 number and outreach efforts. Social Security will not speak for CMS or provide advice to people about CMS issues, enrollment in Medicare prescription drug plans or give advice about plan selections. Inquiries on these areas will be referred to CMS.
- Provide Social Security scannable paper applications to States and third parties and develop an Internet application by mid 2005.
- Develop public information materials about help for Medicare prescription drug plan costs.
- Send letter and Social Security scannable application to not deemed beneficiaries who are potentially eligible (deemed population is handled by the States/CMS) between May 27th and August 16, 2005.
- Develop training material on the application for the States and third parties. The material will be available on the Internet and on CD-ROM.
- Train State partners including State Health Insurance Assistance Programs (SHIPs)/Medicaid Agencies on completion of the application. The methods of training will vary based on the State needs. The training methods will be developed at the regional level.

- Train community-based organizations on the Social Security subsidy application.
- Provide additional resource materials and assistance to those being trained (business partners and Social Security staff) about the Medicare Prescription Drug Program and the application process.
- Coordinate with State/local partners on Medicare Prescription Drug Program initiatives to avoid duplication of efforts.
- Conduct a limited outreach campaign about the help with drug plan costs under the Prescription Drug Program to precede targeted mailing of letters and scannable applications.
- Conduct a national outreach campaign about the "Application for Help with Medicare Prescription Drug Costs" after CMS begins a Medicare Prescription Drug Program campaign including:
 - o What the help is
 - o How to apply for it
 - o Basic public information about the Medicare Prescription Drug Program. Detailed inquiries to be referred to 1-800-Medicare.
- Take applications onsite in the communities where groups of Medicare beneficiaries are identified as potentially eligible.
- Obtain and process applications during outreach sessions, if appropriate.
- Provide basic information to the public about the Medicare Prescription Drug Program in conjunction with the subsidy outreach. Detailed inquiries need to be referred to 1-800-MEDICARE.
- Respond to inquiries that Social Security receives as a result of correspondence Social Security sends to Medicare beneficiaries as well as business partners regarding the Medicare Prescription Drug Program subsidy application.
- Make referrals to CMS, State Medicaid agencies, and/or State Health Insurance Assistance Programs (SHIPs) when appropriate.

CMS Responsibilities:

- Coordinate CMS Medicare Prescription Drug Program outreach activities with Social Security nationally and in the regions.
- Provide training regarding Social Security's role in the application process to CMS employees, including those who answer CMS' 1-800-MEDICARE number.
- Emphasize the advantage of applying for the Medicare Prescription Drug Program assistance with Social Security.

- Social Security has developed a simplified application that beneficiaries can complete and submit without having to visit a Social Security office.
- o Potentially eligible beneficiaries will be mailed a scannable paper application to complete and mail back to Social Security.
- o Beneficiaries can complete the scannable paper application and mail it to Social Security or complete and submit the Social Security Internet application online.
- Social Security will conduct outreach in local community organizations, such as senior centers, where they will help beneficiaries complete the application. This outreach will start at the end of April 2005.
- o Family members, friends and local community organizations can assist beneficiaries in completing and submitting scannable paper or Internet applications to Social Security.
- o Social Security will offer an advance application filing period beginning in July 2005.
- o Applying early and knowing what they are eligible for will allow beneficiaries time to make an informed financial decision about enrolling in the Medicare Prescription Drug Program.
- Develop public information materials about the Medicare Prescription Drug Program, share the material with Social Security and have publications available for Social Security to order.
- CMS to provide scripts and talking points on CMS' role to Social Security.
- Send letters to beneficiaries who are deemed eligible advising them of their automatic eligibility for help with drug plan costs under the Medicare Prescription Drug Program. Notification should occur simultaneously with Social Security's mailing of scannable applications to potential eligibles.
- Provide a method for handling the undeliverable letters that CMS initially sent to beneficiaries who are deemed eligible, advising them of automatic eligibility for help with drug costs.
- Notify CMS partners (including State Medicaid Agencies, SHIPs, AOA and grantees) about the Medicare Prescription Drug Program.
- Communicate Social Security's responsibilities with regard to the assistance and application process to CMS ROs/State Medicaid agencies/SHIPs/other partners.

o Conduct a Medicare Prescription Drug Program outreach campaign and develop outreach messages about help with prescription drug costs to precede Social Security's outreach campaign.

This outreach effort includes guidance on selecting a prescription drug plan and information on how the help will apply to the individual prescription drug plans.

- Make referrals to Social Security concerning applications when appropriate
- Share information with State entities, PDPs, MA-PDs and Social Security where appropriate.
- Provide Social Security with a listing of SHIPS, CMS Regional Offices and other partners to assist Social Security with their outreach planning. (Information to Social Security for coordination/planning with the ROs and their efforts with their RO local partners is needed as well as CO national partners.)
- Alert SHIPs and other partners who will support Social Security with outreach planning.
- Respond to inquiries that CMS receives as a result of outreach efforts initiated by CMS as well as business partners regarding the Medicare Prescription Drug Program subsidy application.

MODULE 1 - Objective 5

History of the "Application for Help with Medicare Prescription Drug Costs"

Background:

The Medicare Prescription Drug Improvement and Modernization Act of 2003 gave the Social Security Administration significant responsibilities. Among other tasks, it required Social Security to develop "a model, simplified application form" that beneficiaries would use to apply for help with prescription drug expenses under the Medicare Prescription Drug Program. Social Security's goal was to:

- design an application form beneficiaries could understand and easily complete on their own;
- eliminate the need for Medicare recipients to travel to a Social Security office for assistance;
- maximize the use of automation to process these forms efficiently and quickly; and
- provide beneficiaries with the advantage of knowing whether they would receive extra help before enrolling in a Medicare prescription drug plan.

Testing and Analysis:

Working closely with the Centers for Medicare & Medicaid Services (CMS), Social Security sought input from varied stakeholders nationwide to develop the form. Input from these varied sources led Social Security to make significant changes as the final form was molded. Social Security created multiple versions as the final version took shape. The development methodology included input from:

- 1. **Focus Groups** Social Security conducted three focus group sessions with current Medicare beneficiaries to test potential applicants' understanding of the application. Social Security conducted the research sessions in West Palm Beach, Miami and Baltimore from May 4, 2004 to May 7, 2004. Social Security included individuals from several age groups to ensure that research represented a cross section of the population. Participants were divided into three groups:
 - Under age 55 (disabled beneficiaries with Medicare)

- Age 65-79 (the predominant Medicare beneficiary age range)
- Over age 80 (to ensure understanding by persons of advanced age).
- 2. **Advocacy Meetings** Social Security met with advocacy groups on May 25, June 17 and June 25, 2004, in Washington, D.C. Social Security reviewed the questions, their wording and their rationale with these groups. Social Security obtained significant valuable input about language and other particulars, which helped simplify the form.
- 3. **Congressional Briefings** Social Security briefed the staff of the Senate Finance Committee and House Ways and Means Committee on the draft subsidy application. Social Security adopted several suggestions from these briefings.
- **4.** Cognitive Testing of the Application—In July 2004, Social Security used a CMS contractor, Bearing Point, to perform cognitive testing of the application. Social Security tested the usability of two versions of the application form by individually interviewing aged and disabled beneficiaries in Baltimore, Chicago, Atlanta and Los Angeles. Their preferences helped Social Security mold the final form.
- 5. **Engineer Evaluation** Additionally, Social Security hired a contractor, Quality Associates Incorporated, to evaluate such things as the fonts used and visual examples provided on the application form. They also provided data that helped Social Security improve the automation process.
- **6. State Medicaid Directors** In August 2004, Social Security took the draft to seven state Medicaid directors. Social Security walked the group through the form and discussed the rationale for the questions designed to assess applicants' eligibility. Their comments helped Social Security refine the form further.
- 7. Cognitive Testing of Subsidy Application Cover Letters In November 2004, Social Security used a CMS contractor, Bearing Point, to perform cognitive testing of the English and Spanish versions of the cover letter for the subsidy application. Social Security tested the usability of two versions of the cover letter by

individually interviewing aged and disabled beneficiaries in Maryland, Virginia, and Nevada. Their preferences helped Social Security develop the final version.

Summary

The breadth and depth of outreach on this effort was unprecedented at Social Security and it was more than worthwhile. This early input gave Social Security time to discover and deal with a number of policy and administrative issues that could have caused problems later. Input from these varied stakeholders allowed Social Security to create a user-friendly form that will serve the American public well. It is easy to use, can be completed quickly and takes advantage of current technology.

SOCIAL SECURITY ADMINISTRATION

Medicare Prescription Drug Program Application Process for Extra Help

Module 2

Statutory/Regulatory Requirements

MODULE 2 - Objective 1

The Deemed and Not Deemed Populations

It is important to understand the distinction between the deemed population and the not deemed population.

Deemed Population

• Who are the deemed population?

The deemed population includes Medicare beneficiaries who also have:

- o SSI; or
- o Medicaid; or
- o a Medicare Savings Program (including QMB, SLMB, or QI).

There is no extra work for States in identifying the deemed population other than forwarding such beneficiary information to CMS. CMS is already working with states to set up this monthly data exchange.

• How will the deemed population be enrolled in the Medicare Prescription Drug Program?

Full-benefit dual eligibles (who have Medicare plus full Medicaid benefits) will automatically be enrolled in a Medicare prescription drug plan effective January 1, 2006 by CMS if they do not enroll earlier in a plan themselves. Automatically enrolling them in a plan will ensure continuity of prescription drug benefits. CMS will notify them that they can change to another Medicare prescription drug plan of their choice.

For others deemed eligible, CMS will facilitate their enrollment towards the end of the initial enrollment period, i.e., around May, 2006. CMS will also notify these beneficiaries that they can change to another Medicare Prescription drug plan of their choice. This group includes those with SSI/Medicare, QMB, SLMB, or QI. These beneficiaries should be encouraged to enroll in a plan during the initial open enrollment period.

Their coverage could start as early as January 1, 2006 if they enroll by December 31, 2005.

• How will the deemed population know they are eligible for help with their drug costs?

The States and Social Security identify to CMS the deemed population, and CMS makes them automatically eligible. They do not have to complete and submit an application.

• Who will handle appeals and redeterminations for the deemed population?

For the dual eligibles and Medicare Savings Program beneficiaries, the States' normal eligibility and redetermination processes will continue. For the SSI beneficiaries who have Medicare, but not Medicaid, the Social Security appeals and redeterminations process will continue to be used.

Not Deemed Population

• Who are the not deemed population?

The not deemed population are Medicare beneficiaries who have limited resources and income (less than 150% of the Federal Poverty Level) and are not deemed eligible for the help with drug plan costs.

• How will the not deemed population receive help with drug costs and enroll in a Medicare prescription drug plan?

The not deemed population must apply with Social Security or with the States. CMS will provide beneficiaries who are determined eligible with information about the Medicare prescription drug plans.

• Who will handle appeals and redeterminations for the not deemed population?

Whoever processes the application (Social Security or State) will also handle the appeals and redeterminations.

• How will the not deemed population who receive help with their drug costs be enrolled in the Medicare Prescription Drug Program?

CMS and SSA will encourage these beneficiaries to apply for a plan. Those who have not enrolled in a plan will have their enrollment into a Medicare prescription drug plan facilitated by CMS towards the end of the initial enrollment period, i.e., May 2006. They will be notified of the selection and informed that they can decline or opt out or change to another plan of their choice. Not deemed beneficiaries who are denied but still want prescription drug coverage can enroll in a Medicare prescription drug plan directly with the plan of their choice.

MODULE 2 - Objective 2

Resources for the Not Deemed Population

The MMA provides that only beneficiaries whose resources are less than \$10,000 (\$20,000 for a married couple) can qualify for help with drug plan costs. As explained in CMS' regulations, Social Security will only count liquid resources (i.e., those that can usually be converted to cash within 20 days) and real estate.

• What are resources?

Resources are cash or other assets that a person owns and could convert to cash to be used for his or her support and maintenance.

• What is counted?

Liquid resources are counted. Liquid resources are cash and other investments that normally can be converted to cash within 20 workdays. Examples of resources that are ordinarily liquid are:

- □ stocks
- □ bonds
- mutual fund shares
- promissory notes
- mortgages
- cash value of life insurance policies
- financial institution accounts (including savings, checking and time deposits, also known as certificates of deposit, retirement accounts, such as Individual Retirement Accounts (IRA), 401(k) accounts and similar items.

A non-liquid resource that may be counted includes the equity value of real property a beneficiary owns, with the exception of the home that is beneficiary's principal place of residence and the land on which it is situated.

The above are examples of resources that are counted; the list is not all-inclusive.

• What is not counted?

- Principal place of residence.
- Non-liquid resources (other than real property), such as family heirlooms and wedding/engagement rings.
- Property of a trade or business which is essential to the person's means of self-support.
- Non-business property which is essential to the person's means of self-support.
- □ Life insurance policies owned by an individual with a combined face value of \$1,500 or less. An individual and spouse could have a total of \$3,000.
- Burial spaces or plots.
- □ \$1,500 you expect to use for funeral expenses, \$3,000 for a couple.
- Interest earned by burial or funeral funds.
- Funds received and conserved to pay for medical and/or social services.
- Certain payments that are retained in the month after the month they are received:
 - o Title 2/Title 16 retroactive payments
 - Housing assistance
 - Federal income tax refunds and earned income tax credit advances
 - Payments received as compensation incurred or losses suffered as a result of a crime
 - Relocation assistance from a State or local government
 - Payments or benefits provided under a Federal statute other than title XVIII of the Act
- Stock in regional or village corporations held by natives of Alaska during the twenty-year period in which the stock is inalienable pursuant to the Alaska Native Claims Settlement Act.
- Restricted allotted Indian lands.
- Dedicated financial institution accounts.
- □ A gift to, or for the benefit of, an individual who has not attained 18 years of age and who has a life-threatening condition, from an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 which is exempt from taxation under section 501(a) of

such Code. The exclusion applies to any in-kind gift that is not converted to cash, or to a cash gift that does not exceed \$2,000.

• Whose resources are counted?

- □ The resources of the individual who applies for the help are counted.
- □ For married couples who live together, the resources of both individuals are counted whether one or both are applying for the help.
- □ For married couples who are not living together at the time the application is filed, the resources of the applicant only are counted.

• What are the resource limits?

	Individual	Couple	Percent
Income	Resource Limit	Resource Limit	of Subsidy
Dual eligibles with			
income above or			
below 100% FPL*	N/A	N/A	Full
Non-dual eligibles			
with income below			
135% FPL*	\$6,000	\$9,000	Full
Non-dual eligibles			
with income below	>\$6,000 -	>\$9,000 -	
135% FPL*	<\$10,000	<\$20,000	Partial
Non-dual eligibles			
with income below			
150% FPL*	<\$10,000	<\$20,000	Partial

^{*}FPL = Federal Poverty Level

Resource limits will be higher after 2006.

• How does it compare to SSI?

The resource limit for eligibility determinations in 2006 is three times the SSI resource limit (\$2,000 for an individual and \$3,000 for a couple).

MODULE 2 - Objective 3

Family Size for the Not Deemed Population

• How is family size defined?

The size of a beneficiary's family affects the income used to determine if he/she is eligible for assistance with drug plan costs. The Federal Poverty Level (FPL) guidelines are used in making this determination. For purposes of the drug cost help, family size includes the beneficiary and his/her spouse (if living together) and any relatives who live with him/her and depend on him/her (or living with spouse) for at least one-half their financial support. Relatives include anyone related to the beneficiary by blood, marriage, or adoption. Once we know the family size, we use the appropriate income level on the following charts when we make the determination of eligibility for the drug cost help. These charts will change yearly.

2005 HHS Poverty Guidelines

Size of Family Unit	48 Contiguous States and D.C.	Alaska	Hawaii
1	\$ 9,570	\$11,950	\$11,010
2	12,830	16,030	14,760
3	16,090	20,110	18,510
4	19,350	24,190	22,260
5	22,610	28,270	26,010
6	25,870	32,350	29,760
7	29,130	36,430	33,510
8	32,390	40,510	37,260
For each additional person, add	3,260	4,080	3,750

Beneficiaries who have income at or below 150% of the above FPLs may be eligible for full or partial assistance with drug plan costs.

135% of the Federal Poverty Level for 2005

Size of Family Unit	48 Contiguous States and D.C.	Alaska	Hawaii
1	\$12,919.50	\$16,132.50	\$14,863.50
2	17,320.50	21,640.50	19,926.00
3	21,721.50	27,148.50	24,988.50
4	26,122.50	32,656.50	30,051.00
5	30,523.50	38,164.50	35,113.50
6	34,924.50	43,672.50	40,176.00
7	39,325.50	49,180.50	45,238.50
8	43,726.50	54,688.50	50,301.00
For each additional person, add	3,260	4,080	3,750

150% of the Federal Poverty Level for 2005

Size of Family Unit	48 Contiguous States and D.C.	Alaska	Hawaii
1	\$14,355.00	\$17,925.00	\$16,515.00
2	19,245.00	24,045.00	22,140.00
3	24,135.00	30,165.00	27,765.00
4	29,025.00	36,285.00	33,390.00
5	33,915.00	42,405.00	39,015.00
6	38,805.00	48,525.00	44,640.00
7	43,695.00	54,645.00	50,265.00
8	48,585.00	60,765.00	55,890.00
For each additional person, add	3,260	4,080	3,750

MODULE 2 - Objective 4

Income for the Not Deemed Population

• What is income?

Income is anything the beneficiary (and his/her spouse if they live together) receives in cash or in-kind that can be used to meet his/her needs for food and shelter. There are two types of income: earned and unearned income.

- Earned income consists of wages and net earnings from selfemployment.
- Unearned income is any income received other than wages or earnings from self-employment.

• What is counted?

The following types of earned income count:

- wages,
- net earnings from self-employment,
- payment for services performed in a sheltered workshop or work activities center,
- in-kind earned income,
- royalties,
- □ honoraria.

The following types of unearned income count:

- Social Security benefits,
- Veterans benefits,
- Railroad benefits,
- public and private pensions,
- annuities,
- workers' compensation.
- □ alimony,
- income from a trust.
- rental income,
- □ dividends (NOTE: dividends on countable resources do not count),
- □ interest (NOTE: interest on countable resources does not count),
- □ inheritances,

□ The value of food and shelter given to the person or that someone else pays for also counts as unearned income. This is called in-kind support and maintenance (ISM).

The above list includes some examples of unearned income; there may be other sources of unearned income than those listed.

• What is not counted?

There are exclusions to what counts as earned and unearned income. These exclusions are modeled after the exclusions used in the Supplemental Security Income (SSI) program. The following items are excluded from earned income:

- □ The first \$20 of most income received in a month;
- □ The first \$65 of earnings and one-half of earnings over \$65 received in a month;
- Income tax refunds;
- □ Assistance based on need funded by a State or local government;
- □ Small amounts of income received infrequently or irregularly;
- □ The value of expenses that are impairment-related and which a blind or disabled person needs in order to work.

• How is income counted for married couples?

For married couples who live together, the income of both spouses counts regardless of whether one or both spouses apply for the help with drug plan costs.

For married couples who are not living together, only the income of the applicant counts.

• How does it compare to SSI?

The income exclusions are similar to but not identical to the exclusions used in the SSI program, and are less restrictive.

SOCIAL SECURITY ADMINISTRATION

Medicare Prescription Drug Program Application Process for Extra Help

Module 3

How the Program Helps Beneficiaries with Drug Plan Costs

MODULE 3 - Objective 1

Information About Assistance Provided

- Eligible beneficiaries will receive help with their prescription drug costs (includes premiums, annual deductible, co-payments)
- Beneficiaries Below 100% of the Federal Poverty Level (FPL) The program will cover 97% of their drug costs.
- Beneficiaries at 100% up to 135% of the FPL The program will cover 95% of their drug costs.
- Beneficiaries at 135% up to 150% of the FPL The program will cover 85% of their drug costs.
- The program for help with drug plan costs is designed to provide Medicare beneficiaries who have limited income and resources extra assistance with premiums and cost sharing under the new drug benefit. It offers Medicare beneficiaries comprehensive drug coverage for \$2 to \$3 co-payments, with special protections for full benefit dual eligibles. The size of the co-payment is determined by the beneficiary's income and resources.
- Beneficiaries who qualify for the full level of help (including deemed beneficiaries) will receive:
 - Full premium assistance up to the premium subsidy amount for an average plan.
 - Nominal cost sharing up to out-of-pocket threshold.
 - Full benefit duals can get further reductions in cost sharing.
 - No coverage gap.

- Others may qualify for
 - Sliding scale premium assistance.
 - Reduced deductible.
 - Reduced co-insurance.
 - No coverage gap.
- The chart on the next page shows how help is provided with premiums, the annual deductible and co-payments.

	Beneficiary eligible to enroll in Medicare Prescription Drug Plan-not eligible for the extra help- (Income greater than or equal to 150% FPL)	Beneficiary eligible for Partial help (Less than 150% FPL and resources below the alternative level*)	Beneficiary eligible for full level of help (135% FPL or less and resources less than the resource level**), QMB- only, SLMB- only, QI and SSI-only	Beneficiary eligible for full level of help (with Full Medicaid Benefits)
Deductible	\$250/year	\$50	\$0	\$0
Initial Drug Benefit	\$251 - \$2,250 with 25% copay	\$51 - \$5,100 with 15% copay	\$0 - \$5,100 with \$2 generic/\$5 non-preferred each prescription	\$0 - \$5,100 with \$1 generic/\$3 non- preferred each prescription*** if at or below 100% FPL; \$2 generic /\$5 non- preferred each prescription if above 100% FPL; and \$0 co- pays if institutionalized
Between Initial Benefit and Catastrophic Benefit	No coverage between \$2,250 and \$3,600 out-of- pocket (at least \$5,100 in drugs)100% beneficiary liability	Covered	Covered	Covered
Catastrophic Benefit	Over \$3,600 out-of- pocket (at least \$5,101 in drugs) with 5% co- insurance or \$2 and \$5 copays	Over \$3,600 out-of- pocket with \$2 generic/\$5 non-preferred each prescription	Over \$3,600 out-of- pocket with no copay \$0 (at least one	Over \$3,600 out-of- pocket with no copay \$0 (at least one \$0
Premium†	Estimated average \$32/month (premium varies by plan)	25%, 50%, or 75% of premium	\$0 premium plan must be available in an area)	premium plan must be available in an area)

- *Alternative resource test of \$10,000/single or \$20,000 couple applies.
- **Resource test in 2006 is 3 X SSI (\$6,000/single or \$9,000 couple).
- ***Co-payments are indexed to the Consumer Price Index (CPI-U).
- †For eligible beneficiaries, the extra help is based on a percentage of the standard premium for the beneficiary's area.

SOCIAL SECURITY ADMINISTRATION

Medicare Prescription Drug Program Application Process for Extra Help

Module 4

Social Security Scannable Paper Application

Cover Letter -

All applications mailed out to potentially eligible, not deemed Medicare beneficiaries will be sent with a cover letter from Social Security. The letter will:

- Be signed by the Commissioner of Social Security;
- Explain the purpose of the extra help (subsidy)—that it helps pay for some or all of the costs of the Medicare Prescription Drug Program premiums, co-payments, and deductibles.
- Encourage the beneficiary to file for the extra help (subsidy) using the enclosed scannable application and return it to Social Security as soon as possible.
- Advise beneficiaries that they can find more information as well as an online application beginning July 1, 2005, at www.socialsecurity.gov.
- Inform beneficiaries that they can call Social Security at 1-800-772-1213 (TTY 1-800-325-0778) if they need help completing the application or have a question.
- Advise beneficiaries that they can contact CMS at 1-800-MEDICARE or visit <u>www.medicare.gov</u> for general information about the new Medicare Prescription Drug Program.

<u>Instructions</u> –

The first page of the scannable application introduces individuals to the requirements for completion. It begins with a question, "Does the person applying for this extra help have Medicare and Supplemental Security Income (SSI) or Medicare and Medicaid?" This question will help individuals decide whether or not to complete the application and screens for individuals deemed eligible. Its purpose is to:

- Determine if the person applying is automatically eligible for the extra help (deemed eligible) based on current entitlement to Medicare and SSI, Medicare and Medicaid or Medicare Savings Program (QMB, SLMB, QI).
- The extra help will be automatically applied for these individuals.
- There is no need to take an application, but if the individual insists on applying, Social Security will process it as a duplicate application and send the beneficiary a notice to that effect.

Technical instructions for form completion:

- Use only the scannable or Internet applications—photocopies should not be used.
- Use black ink or #2 pencil.
- Keep numbers, letters and Xs inside the box.
- Avoid extraneous markings outside the boxes—this will remove the application from automatic scanning.
- Do not use dollar signs for money amounts these are preprinted.
- Cents can be rounded to the nearest whole dollar.

If you are helping someone else complete the application:

- Answer the questions as if that person were completing the application.
- You must know that person's Social Security number and financial information to complete the application.
- Complete Section B of page 6 of the application which provides us with information about persons who help applicants complete the form; as a State employee you do not need to fill out this block since Social

Security will know from the "For Official Use Only" block at the top of page two that the application has been taken by a State employee.

How to Submit the Application:

- You may complete the application online at www.socialsecurity.gov beginning July 1, 2005, **or**
- After completion, have the applicant(s) sign the scannable application. Then mail it in the pre-addressed stamped envelope to:
 - Social Security Administration
 Wilkes-Barre Data Operations Center
 P.O. Box 1020
 Wilkes-Barre, PA 18767-1020
- Do not fold the application other than where it is pre-folded. Additional folds may effect scanning.
- Do not send any additional materials with the application. If Social Security needs more information, we will contact the beneficiary.
- Remember: Beneficiaries will provide information concerning income, resources and household size and attest to its accuracy when submitting the application. Social Security will conduct data exchanges with other governmental agencies to verify receipt and amount of benefits.

If you have questions or need help completing the application:

- Call Social Security at 1-800-772-1213.
- If you are deaf or hard of hearing, call our TTY number: 1-800-325-0778
- States should contact their Social Security resource person listed in Module 6 State Resources.

After the application has been received, an automated notice acknowledging receipt of the application will be sent to the beneficiary.

It is important that the beneficiary understand that if he or she are eligible for full or partial help that SSA and CMS encourage the beneficiary to enroll with a Medicare prescription drug plan on their own. However, if they do not, CMS will facilitate their enrollment towards the end of the initial enrollment period, i.e., May 2006. They will have the choice to decline or change to another plan. Beneficiaries who are denied the extra help must enroll themselves in a Medicare prescription drug plan if they want this

coverage. They will not be auto-enrolled. The decision notice to the beneficiary will include this information.

FOR OFFICIAL USE ONLY –

- **Date** Handwrite the date (MM/DD/YYYY) within the white space of the "For Official Use Only" block when it is received. Date stamping may cover boxes that need to be scanned and will make them unreadable. It is essential to handwrite the date. Social Security will use the subsidy application filing date as the protective filing date for SSI benefits.
- **State code** Enter the U.S. Postal Service's two-digit State abbreviation as the State code in the designated blocks. Use the codes listed for each State in Module 8 Listing of State Codes.

Applicant and Spouse's Names - Questions 1 and 2

Question 1 - Applicant's Name –

Questions 1 and 2 are straightforward. They will enable us to determine who is applying for the help with drug plan costs.

Instructions:

- <u>First Name</u> Print the letters of the first name inside the red boxes. If there are more letters to the first name than there are red boxes, complete the name only up to the number of boxes available. Do not write outside the red boxes.
- <u>Middle Initial</u> Print the middle initial. Do not write outside the red boxes.
- <u>Last Name</u> Print the letters of the last name inside the red boxes. If there are more letters to the last name than there are red boxes, complete the name only up to the number of boxes available. Do not write outside the red boxes.
- <u>Suffix</u> Print the suffix, if any, to the name (Jr., Sr., II, III, etc.)
- <u>Applicant's Social Security Number</u> If the beneficiary receives an application in the mail from Social Security as part of the targeted mailing, only the last four digits of the social security number will be pre-

filled on the application. Enter the first five digits to complete the social security number.

Example:

John A. Doe is applying. His social security number is 123-45-6789. John is 66 years old, has retired from his career job, but still works part time at a local store. John lives with his wife Jane.

Question 2 - Spouse's Name (if you are married and living together) –

Instructions:

- <u>First Name</u> Print the letters of the first name inside the red boxes. If there are more letters to the first name than there are red boxes, complete the name only up to the number of boxes available. Do not write outside the red boxes.
- <u>Middle Initial</u> Print the middle initial. Do not write outside the red boxes.
- <u>Last Name</u> Print the letters of the last name inside the red boxes. If there are more letters to the last name than there are red boxes, complete the name only up to the number of boxes available. Do not write outside the red boxes.
- <u>Suffix</u> Print the suffix, if any, to the name (Jr., Sr., II, III, etc.)

Example:

John's wife, Jane Doe, is also applying for assistance with drug plan costs, so they check the box indicating that both members of the couple are applying. Jane's SSN is 987-65-4321. Jane is 65 years old. Jane has never worked outside of the home.

NOTES:

- If only John was applying for the subsidy, he would put an X in the "Only you are applying" box in question 2. However, Jane would still have to answer all of the questions and sign the application.
- If John was single, divorced, separated or a widower, he would skip question 2 and only answer the remainder of the questions pertaining to him. He would skip all of the questions asking for a spouse's answer.

Resources – Questions 3, 4, 5, 6, and 7

The MMA provides that only beneficiaries whose resources are less than \$10,000 (\$20,000 for a married couple) can qualify for the help with Medicare prescription drug plan costs. As explained in CMS' regulations, we will only count liquid resources (i.e., those that can usually be converted to cash within 20 days) and real estate, other than the applicant's primary residence. Questions 3 through 7 collect information to enable Social Security to determine the level of the applicant's resources.

Question 3 –

If you are single, divorced, a widow(er) or your spouse does not live with you, are your savings, investments and real estate (other than your home) worth more than \$11,500? If you are married and living together, are they worth more than \$23,000? (These limits will be higher after 2006.) Include things you own by yourself, with your spouse or with someone else. **Do not include your home, vehicles, burial plots or personal possessions.**

If you put an **X** in the **YES** box, you are not eligible for the extra help and you do not need to complete this application. However, if you want a formal decision, put an **X** in the **NOT SURE** box. If you put an **X** in either the **NO** or **NOT SURE** box, complete the application.

__ YES __ NO __ NOT SURE

Instructions:

• During our focus group testing and discussions with advocates, we were told that applicants would want to know if they are not eligible so they can avoid filling out the form unnecessarily. Therefore, we developed question 3 as a way to let people screen themselves out but still obtain a formal determination of eligibility if they wish. The resource levels listed in the question (\$11,500 for a single person and \$23,000 for a couple) are the maximum resource levels defined in statute after

- allowing for the \$1,500 burial exclusion (\$3,000 for a couple). Because of the numerous exclusions that can apply to income, we were unable to develop a similar screening based on income.
- This question will screen out beneficiaries with resources that exceed the limits for eligibility.
- Remember that liquid resources are counted. Liquid resources are cash and investments that normally can be converted to cash within 20 workdays. In addition, property other than the primary residence is counted.
- Some examples of liquid resources are stocks, bonds, mutual fund shares, promissory notes, and mortgages. For a more detailed list, refer to Module 2 Objective 2.
- Place an **X** in the appropriate red box.
- If a beneficiary answers yes, he/she does not have to complete or submit the application, since their resources exceed the allowed limit and makes them ineligible. However, if they would like a formal decision, they should place an **X** in the **NOT SURE** box. He/she would continue to complete the application. Social Security will make a formal decision about their eligibility and send them a letter advising them of the decision.
- If a beneficiary answers **NO**, if he/she continues to complete the application Social Security will make a formal decision on their eligibility for the subsidy and send them a letter advising them of the decision.

Example:

John and Jane's total resources (savings, investments and non-home real estate) together are not worth more than \$23,000. They place an X in the NO box.

Question 4 –

Please enter the value (money amounts) of bank accounts, investments or cash that either you, your spouse (if married and living together) or both of you own in the boxes below. Include items that either of you own with another person. If you or your spouse (if married and living together) do not own a item listed, either separately, jointly or with another person, place an **X** in the **NONE** box.

Bank accounts (checking, savings and certificates of deposit)	NONE	\$
• Stocks, bonds, savings bonds, mutual funds, Individual Retirement Accounts or other similar investments	NONE	\$
Any other cash at home or anywhere else	NONE	\$,

Instructions:

- In this question, the applicant attests to the values of the major categories of resources that he or she owns. We will compare the information on the application with data obtained from other Federal agencies. If we identify any discrepancies, we will contact the beneficiary to resolve them.
- Add the amounts and show the totals for both the beneficiary and the beneficiary's spouse, if they are married and live together.
- Print the total amounts inside the red boxes. Cents are not necessary but may be shown in the blue boxes.
- If the beneficiary or the beneficiary's spouse with whom they are married and living with do not own any of these items, place an **X** in the red box next to **NONE**.

Example:

John and Jane have a joint savings and checking account. They have \$500 in savings and \$250 in checking. They enter the total of \$750.00 in the blocks.

Neither John nor Jane has any stocks, bonds or other investments so they put an X in the NONE block for the next question. John and Jane have \$1,000 combined in cash with them and at home so they enter \$1,000.00 in the blocks.

Question 5 –

Do you or your spouse (if married and living together) own any life insurance policies with a total face value of \$1,500 or more? Answer both boxes if your spouse lives with you. If you answered **NO** for both you and your spouse, go to question 6.

YOU:	YES	NO
SPOUSE (if living together):	YES	NO

<u>If</u> the answer for either you or your spouse is **YES**, how much money would you get if you had to turn in your insurance policies for cash right now? (This is not the face value of your policies. You may need to call your insurance company to help answer this question.) Enter the amount.

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Instructions:

- Applicant's do not have to turn in their life insurance policies to be eligible for the extra help. However, Social Security may need to know the value of their life insurance policies to decide if they meet the resource limit.
- This question establishes whether the applicant has life insurance policies that would count as a resource. Under SSI rules (which apply to the help with drug plan costs), if the applicant's policies have face values of less than \$1,500, the policies are not counted. If the combined face values exceed \$1,500, Social Security counts the cash surrender value of the policies.
- If the total face value of all of the applicant's life insurance policies is less than \$1,500, we do not need to know about them. The face value of a policy is the amount the insurance company would pay if the applicant passed away.

- If the total face value of the policies is more than \$1,500, Social Security needs to know how much the insurance company would pay if you cashed in the policy. This is known as the cash value of the policy.
- To find out the cash value of the applicant's policies, look at the policy. If the policy says something like "This policy has no cash value." enter "0" in the field that asks for the value. If the policy has a cash value, the policies may include a table that says what the value is based on how many years the applicant owned the policies. If so, enter the value shown in the table. If the applicant has more than one policy, enter the total value of all the policies.
- If the policies do not have a cash value table, please contact the applicant's insurance agent or the insurance company to find out the cash value of the policies. If you are unable to contact the agent or the company, please call Social Security toll free at 1-800-772-1213 and Social Security will help you determine the value of the policies.
- Ask if the beneficiary or the beneficiary's spouse own any life insurance policies with a face value of \$1,500 or more.
- If yes for either, ask for the total cash value.
- Keep in mind that not all life insurance policies have cash value.
- If the cash value is over \$1,500, print the total amount for all life insurance policies for the applicant in the red boxes.
- If the cash value is over \$1,500, print the total amount for all life insurance policies for the applicant's spouse in the red boxes.

Example:

John owns an insurance policy on his own life that has a face value of \$3,000. Since the face value is more than \$1,500, he puts an **X** in the **YES** box. Jane has an insurance policy on her life, but the face value is only \$1,000, so she puts an **X** in the **NO** box since it is not worth \$1,500.

Since John answered **YES** to the first part of question 5, he consults the table of cash surrender values that is attached to his insurance policy to see how much he would get if he turned in his policy for cash. The table says he

could get \$2,500 total. John enters \$2,500.00 in the boxes for the second part of question 5.

Question 6 –

Do you expect to use money from any of the sources listed in questions 4 or 5 to pay for funeral or burial expenses for yourself (or your spouse, if married and living together)?

YOU: __YES __NO

SPOUSE (if living together): __YES __NO

Instructions:

- We can exclude up to \$1,500 of the resources entered in questions 4 and 5 (\$3,000 for a couple), if the beneficiary or spouse indicate that they expect to use the money from any of the funds for funeral or burial expenses.
- Include money in bank accounts (checking, savings, certificates of deposit, etc.) or the cash value of life insurance policies for the beneficiary or the beneficiary's spouse.
- Put an **X** in the appropriate red box for the beneficiary and for the beneficiary's spouse.

Example:

John and Jane have always considered their life insurance policies to be money for their burial expenses so they both answer **YES** in question 6.

Question 7 –

Other than your home and the property on which it is located, do you or your spouse (if married and living together) own any real estate?

__ YES __ NO

Instructions:

- This question identifies beneficiaries who own real estate. In order to keep the application simple and avoid asking more questions from the majority of applicants than is absolutely necessary, certain follow-up questions were intentionally not included on the form. If the applicant checks **Yes**, Social Security will contact the applicant to determine if the real estate represents a countable resource (following SSI standards) and if so, the value of the real estate.
- Do not include the home the beneficiary lives in or the property on which it is located.
- Include any other real estate the beneficiary or the beneficiary's spouse owns.
- Place an **X** in the appropriate red box.

Example:

John and Jane do not own any real estate other than their home so they answer question 7 by putting an **X** in the **NO** box.

<u>Family Size – Question 8</u>

Question 8 -

Your living situation may affect the amount of help you can get. Therefore, we need to know how many relatives live with you and your spouse (if married and living together) for whom you and/or your spouse provide at least one-half of their financial support. Relatives may include anyone related to you by blood, marriage or adoption.

How many relatives who live with you and your spouse depend on you or your spouse to provide at least one-half of their financial support? **Do not include yourself or your spouse in this number.** (Place an **X** in only one box.)

NONE 1 2 3 4 5 6 7 8 9 or more

Instructions:

- The MMA provides that eligibility for the help with drug plan costs is limited to beneficiaries whose income is less than 150 percent of the Federal Poverty Level for the size of their family. "Family size" is defined in CMS' regulations as including "the applicant, the spouse who is living in the same household, if any, and the number of individuals who are related to the applicant or applicants, who are living in the same household and who are dependent on the applicant or the applicant's spouse for at least one-half of their financial support." In question 8, the applicant attests to the number of individuals who fall within this definition.
- Include all relatives living with the beneficiary who are related by blood, marriage or adoption; and
- The relatives must live with the beneficiary and the beneficiary's spouse if the beneficiary is married and living with his/her spouse.
- The relatives must depend on the beneficiary and/or the beneficiary's spouse for at least one-half of their financial support.
- Place an **X** in only one box.

Example:

All of John and Jane's children are grown and have moved out of their house. Currently they live alone so they put an **X** in the **NONE** box. John's mother had previously lived with them and they provided half of her support, but she moved into a nursing home last year. If she still lived with them, John and Jane would put an **X** in the 1 box.

In this example, using the FPL chart shown below, John and Jane's family size is 2. John and Jane's income must be below \$19,245, which is 150% of the Federal Poverty Level (FPL) shown in the chart below for a family of 2. If John's mother still lived with them, their family size would be 3, and John and Jane's income would have to be below \$24,135.

NOTE: Keep in mind that the limits are slightly higher in Alaska and Hawaii.

150% of the Federal Poverty Level for 2005

Size of Family Unit	48 Contiguous States and D.C.	Alaska	Hawaii
1	\$14,355.00	\$17,925.00	\$16,515.00
2	19,245.00	24,045.00	22,140.00
3	24,135.00	30,165.00	27,765.00
4	29,025.00	36,285.00	33,390.00
5	33,915.00	42,405.00	39,015.00
6	38,805.00	48,525.00	44,640.00
7	43,695.00	54,645.00	50,265.00
8	48,585.00	60,765.00	55,890.00
For each additional person, add	3,260	4,080	3,750

The MMA establishes income limits for eligibility for help with prescription drug costs. The remaining questions on the application collect information about the applicant's income and also enable us to determine if certain exclusions are applicable.

Income – Questions 9, 10, 11, 12, 13, 14, 15, and 16

These questions will provide information about the types and amount of income for the individual or couple. The total amount of income is compared to the family size and income limit shown in the FPL chart in MODULE 2 – Objective 3 to determine subsidy eligibility.

Question 9 -

If you or your spouse (if married and living together) receive income from any of the sources listed below, please enter the **total monthly income.** If the amount changes from month to month, enter the average monthly income for the past year in the appropriate boxes. Do not list wages and self-employment, interest income, public assistance, medical reimbursements or foster care payments here. If you or your spouse do not receive income from any of the sources listed below, place an **X** in the **NONE** box.

Social Security	We will use the amount in our records.		
Railroad Retirement	NONE	\$,	
• Veterans	NONE	\$,	
• Other pensions or annuities (Do not include money you receive from any item you included in question 4.)	NONE	\$,	

•	Other income not listed	NONE	\$,
	above, including alimony, net rental income, workers' compensation (Specify):		

Instructions:

- Question 9 collects information about the most common sources of income other than wages and self-employment. We will compare the information on the application with data obtained from other Federal agencies and Social Security's own benefit records. We may contact the applicant to resolve discrepancies.
- Print the total monthly income for both the beneficiary and the beneficiary's spouse (if they live together).
- If income is different each month, show the average monthly amount.
- Include income from other pensions such as private pensions and annuities.
- Do not include wages and self-employment, interest income, public assistance, medical reimbursements or foster care payments.
- Money received from investments shown in question 4 should not be included here.
- Explore all possible sources of income.

Example:

John receives Social Security benefits since he retired from his career job. He does not have to enter anything in the Social Security line since Social Security will use its records to determine the amount.

Neither John nor Jane worked for the railroad and do not receive Railroad Retirement. They put an **X** in the **NONE** box.

John was in the Army, but does not receive any Veteran's benefits so he puts an **X** in the **NONE** box.

John receives \$250 a month from a company investment plan from his former employer. He enters \$250.00 in the boxes for the question about other pensions and annuities.

John and Jane do not have any income other than from his part-time job. Since the instructions say not to list wages, they put an **X** in the **NONE** box for the last part of question 9.

Question 10 -

Have any of the amounts in question 9 decreased during the last two years?

__ YES __ NO

Instructions:

- Since the data we obtain from the other Federal agencies may not be as current as the information on the application, question 10 may enable us to resolve discrepancies without contacting the applicant.
- Income information available to Social Security may be up to two years old. This question will help us obtain more updated income information.

Example:

Since none of the amounts in question 9 decreased in the last 2 years, John and Jane put an **X** in the **NO** box for question 10.

Question 11 –

Does anyone provide or help you (or your spouse if married and living together) pay for any of the following household expenses – food, mortgage, rent, heating fuel or gas, electricity, water and property taxes? (Do not include food stamps, house repairs, help from a housing agency, an energy assistance program, Meals on Wheels or help with medical treatment and drugs.)

YES	NO
YES	NO

If you put an **X** in the **YES** box, enter the monthly amount, or if the amount is not fixed, enter the average monthly amount for the past year.

\$,	 		

Instructions:

- As explained in CMS' regulations, the income standard mandated by the MMA is the standard used for SSI under Section 1612 of the *Social* Security Act. Section 1612 specifies that income includes support and maintenance provided in cash or in kind. Therefore, Social Security is obligated to determine if an applicant receives in-kind support and maintenance (i.e., food or shelter) from another person.
- This question will let us know if the beneficiary is receiving in-kind support and maintenance (ISM).
- The value of the ISM is included in determining total income.
- We are using the SSI Federal Benefit Rate (FBR) as the foundation for determining ISM.
- We will include the value of ISM shown by the beneficiary unless it exceeds one-third of the SSI FBR amount as income. In that case we will only include one-third of the SSI FBR as income.
 - □ The 2005 SSI FBR for an individual is \$579.00. We will include the amount the beneficiary alleges, but no more than \$193.00 (one-third of \$579.00) as income for the value of ISM.
 - □ The 2005 SSI FBR for a couple is \$869.00. We will include the amount the couple alleges, but no more than \$289.66 (one-third of \$869.00) as income for the value of ISM.

Example:

Since John retired, the Does' finances have been tight. They had to put a new roof on their home and as a result have had a little trouble paying their bills. Their son pays their gas and electric bill for them each month which averages about \$100 each month. John and Jane put an **X** in the **YES** box for the first part of question 11. They enter \$100.00 in the boxes for the second part of question 11 for the \$100 a month that their son pays to the gas and electric company for their gas and electric bill.

SSA will consider the \$100.00 as in-kind support and maintenance (ISM) since John and Jane's son pays their gas and electric bill to help them with their food and shelter expenses. As a result, the \$100.00 will be included in John and Jane's total income.

If John and Jane's son paid \$300.00 per month for their gas and electric bill, they would enter \$300.00 in the boxes for the second part of question 11. We would only include \$289.66 in John and Jane's total income.

Question 12 –

What do you expect to earn in v	vages before t	eaxes this year?
YOU:	NONE	\$,
SPOUSE (if living together):	NONE	\$,
 the information on the applicagencies. If we identify any to resolve them. If the beneficiary is single, do not worked in the last two years. 	loyment incorpation with da discrepancies ivorced, separates, skip questand living with ears, skip questeens, skip questeens iciary is beneficiary is his career job not skip but contest to earn \$7,2 kes for questic	me (or loss). We will compare that obtained from other Federal so, we will contact the applicant rated or a widow(er) and has stions 12-16. The his or her spouse and neither estions 12-16. The ext to YOU. The spouse next to SPOUSE. To, he still works part time at a complete questions 12-16. 200.00 in gross wages this year.
Question 13 –		
If self-employed, what do you e year?	expect your ne	et earnings or loss to be this
YOU:	NONE	\$,
SPOUSE (if living together):	NONE	\$,

Put an X	here if you or your spouse expect a net loss
YOU: _	SPOUSE (if living together):

Instructions:

- Questions 12 and 13 collect information about the beneficiary's (and spouse's) wages or self-employment income (or loss). We will compare the information on the application with data obtained from other Federal agencies. If we identify any discrepancies, we may contact the applicant to resolve them.
- If the beneficiary is single, divorced, separated or a widow(er) and has not worked in the last two years, skip this question.
- If the beneficiary is married and living with his or her spouse and neither has worked in the past two years, skip this question.
- Include any self-employment net earnings or loss for the beneficiary and the beneficiary's spouse.
- Indicate the beneficiary's self-employment net earnings or loss in the red boxes next to **YOU**.
- Indicate the spouse's self-employment net earnings or loss in the red boxes next to **SPOUSE.**
- If either the beneficiary or the beneficiary's spouse expect a net loss in self-employment, place an X in the YOU box to indicate if the net loss pertains to the beneficiary or place an X in the SPOUSE (if living together) box if the net loss pertains to the spouse.
- We will subtract any self-employment net loss from wages.

Example:

Neither John nor Jane is self-employed so they both put an **X** in the **NONE** boxes.

Question 14 –

Have the amounts in questions 12 or 13 decreased in the last two years?

YES	NO
-----	----

Instructions:

• Like question 10, question 14 may enable us to resolve discrepancies between the earned income amounts listed on the application and the data

available in our records and from other federal agencies without contacting the beneficiary.

- If the beneficiary is single, divorced, separated or a widow(er) and has not worked in the last two years, skip this question.
- If the beneficiary is married and living with his or her spouse and neither has worked in the past two years, skip this question.
- Income information available to Social Security may be up to two years old. This question will help us obtain more updated income information.

Example:

John retired from his career job last year and he earns a lot less in his parttime job than he did when he worked full time. Since his wages have decreased in the last 2 years, he puts an X in the YES box for question 14.

Question 15 –

If you or your spouse (if married and living together) recently stopped working or plan to stop working, enter the month and year.

*Example:

For January – September, put a zero (0) in the first box. May 2006 should read:

$$\begin{array}{cc}
 05 & 2006 \\
 MM & YYYY
 \end{array}$$

You:
$$\underline{\underline{}} \underline{\underline{}} \underline{\underline{}}} \underline{\underline{}} \underline{\underline$$

Instructions:

- Question 15 will enable us to take into account planned reductions in wages or self-employment for the coming year.
- If the beneficiary is single, divorced, separated or a widow(er) and has not worked in the last two years, skip this question.
- If the beneficiary is married and living with his or her spouse and neither has worked in the past two years, skip this question.

- This information will help us determine the amount the beneficiary or the beneficiary's spouse earned or will earn up to the month they stop working.
- This information will also help us determine the average monthly earnings for the beneficiary or the beneficiary's spouse during the months they worked or will work.

Example:

John's health has not been good lately, so he plans to stop working in his part-time job at the end of 2006. Therefore, he enters 01/2007 in the boxes for question 15 that apply to him. Since John is not planning to work in 2007, we will consider his earnings as zero for 2007. Jane is not working so she does not answer the question.

If John were planning to stop working earlier, for example, in May 2006, he would enter 05/2006 in the boxes for question 15 that apply to him. We would use the amount he showed as expected earnings for 2005 (\$7,200) and divide it by 12 determine his monthly earnings to be used to estimate his 2006 income. We will consider his 2006 monthly earnings to be \$600.00. Using the monthly estimate and the fact that he will stop working in May 2006, we will consider his 2006 yearly earnings to be \$3,000.00.

Question 16 –

Do you or your spouse (if married and living together) have to pay for things that enable you to work? We will count only a part of your earnings toward the income limit if you work and receive Social Security benefits based on a disability or blindness and you have work-related expenses for which you are not reimbursed. Examples of such expenses are: the cost of medical treatment and drugs for AIDS, cancer, depression, or epilepsy; a wheelchair; personal attendant services; vehicle modifications, driver assistance or other special work-related transportation needs; work-related assistive technology; guide dog expenses; sensory and visual aids; and Braille translations.

YOU: __YES __NO SPOUSE (if living together): __YES __NO

Instructions:

- Under the applicable SSI rules, certain work-related expenses of individuals who are disabled or blind and under age 65 may be excluded from their earned income. If a beneficiary who our records show is disabled or blind checks "Yes" to this question, we will automatically exclude a standard amount for the work expenses. We will notify the beneficiary of the amount we have used and give him/her the opportunity to provide evidence that the expenses (and thus the amount excluded) are higher.
- If the beneficiary is single, divorced, separated or a widow(er) and 65 or older, skip this question.
- If the beneficiary is married and living with his or her spouse and both are 65 or older, skip this question.
- Beneficiaries 65 or older are no longer classified as disability beneficiaries on Social Security roles and we do not exclude their work-related expenses.
- This question will let us know if the beneficiary is entitled to impairment related work expenses (IRWE) or blind work expenses (BWE).
- We will exclude the average amount of IRWE and BWE from the beneficiary's wages or self-employment income.

Example:

Since John and Jane are married and live together and both are at least age 65, they follow the instructions and skip question 16.

Signatures -

Instructions:

- These instructions are for the scannable application only. The Internet subsidy application is addressed in Module 5.
- If the application is for one person, that person signs the application on this page. If the application is for a married couple who lives together, both people must sign the application on this page.
- The signature page contains the Penalty Clause. When signing the application below the Penalty Clause, the person(s) signing the form:
 - Certifies that all information provided on the application is true and correct.
 - Certifies that he or she understands that knowingly giving false information is a crime.
 - Certifies that he or she understands that Social Security will check statements with records from other Federal, State, and local government agencies.
 - Authorizes Social Security to obtain information about person(s)'s income, resources, and assets such as wages, account balances, pensions, insurance policies, etc.
 - The Penalty Clause statement means that everything the beneficiary has told us on the application is true to the best of his or her knowledge. Some of the information asked for can change from one day to the next. Some of the amounts entered are estimates. Social Security will not penalize a beneficiary as long as he or she has given the best estimates in those situations.
- The person(s) applying should sign the form in Section A and fill in the address information.
- If the person(s) applying is not able to sign the form, a personal representative may sign on his or her behalf. The representative may be a family member, friend, attorney, advocate, social worker, agency, or someone else acting on behalf of the beneficiary.

- If the person(s) applying prefers that we contact someone else if questions arise about the application, that person's name and phone number should be entered on the signature page.
- If you assisted the person applying with completing the application, fill out Section B.
- Like the rest of the form, be sure to be careful when filling in the red outlined boxes. Be sure to not write outside the red box lines.

Example:

John and Jane have completed the application. They both sign the application and complete the boxes for their phone number and address in Section A.

If John was filing for himself, Jane would still sign the application so that Social Security can verify her answers.

Since no one helped them fill out their application, they do not complete Section B.

Privacy Act/Paperwork Reduction Notice

- The last page of the application, page 7, contains the Privacy Act and the Paperwork Reduction Notice.
- This is an explanation of why the information that is collected on the form is collected. The answers provided to the questions are used to determine if a person is eligible for the help with drug plan costs.
- A person does not have to answer all questions. However, if all information is not provided, Social Security may not be able to make an accurate and timely decision on the application.
- This page also contains an explanation of the computer matching Social Security may do in relationship to this application and that Social Security may provide information from the form to other government agencies if the law requires it.
- The Paperwork Reduction Act Statement provides an estimate of how long it will take to complete the form. It also lets the person know how to tell if the form is approved it must show a valid Office of Management and Budget control number.

Submitting the Completed Scannable Paper Application

• <u>Mail</u>: If a paper (scannable) application form is completed, it should be returned to Social Security by mail. A postage-paid pre-addressed return envelope is included with the application. If the beneficiary loses or destroys the envelope the application should be mailed to the following address:

Social Security Administration Wilkes-Barre Data Operations Center P.O. Box 1020 Wilkes-Barre, PA 18767-9910

- Do not fold the application other than where it is pre-folded. Additional folds will affect scanning.
- Do not attach documents to the application. Social Security will contact the beneficiary if additional information is needed.
- After the application is submitted, Social Security will send the beneficiary a receipt.
- Social Security will determine whether or not the person is eligible for help with drug plan costs. If more information is needed to process the application, Social Security will contact the beneficiary who applied for the subsidy or the person's representative, if applicable.
- Once the initial favorable determination is made it is effective for 12 months from filing.
- It is important that beneficiaries understand that if they are eligible for a full or partial assistance that CMS encourages them to choose a plan on their own. If they do not, CMS will facilitate their enrollment in a Medicare Prescription Drug Program plan towards the end of the initial enrollment period, i.e., May 2006. They will have the choice to withdraw or change to another plan. Beneficiaries who are ineligible

for the extra help may still enroll in a Medicare prescription drug plan but will not be eligible for the extra help. The application decision notice to the beneficiary will include statements advising them of this information.

SOCIAL SECURITY ADMINISTRATION

Medicare Prescription Drug Program Application Process for Extra Help

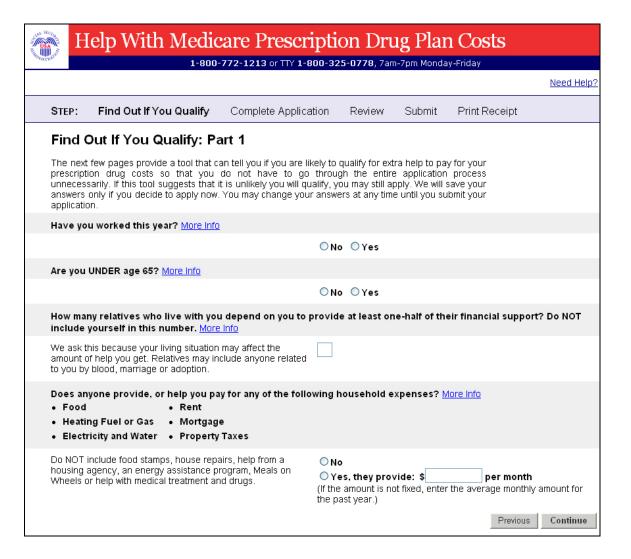
Module 5

Social Security Subsidy Qualifier and the Internet Application for Help with Medicare Prescription Drug Plan Costs

MODULE 5 – Objective 1

Information about the Subsidy Qualifier

- A screening tool, called the Subsidy Qualifier, will be available on the Internet on May 2, 2005 at www.socialsecurity.gov.
- The qualifier will help beneficiaries determine if they might be eligible for the extra help with prescription drug expenses (subsidy). Information will need to be entered about their resources, income and living arrangements. They will receive an online reply whether they are likely to qualify. Beneficiaries that are told they are unlikely to qualify may still apply.
- Beginning July 1 2005, information that is entered into the qualifier can automatically become part of the application if the beneficiary requests it. This was designed so that beneficiaries would not have to enter the same information again if they decide to file an application.
- Between May 2, 2005 and July 1, 2005 beneficiaries can use the qualifier to find out if they may be eligible for assistance with their prescription drugs. If they want to file an application before July 1, 2005 they can call 1-800-772-1213 and Social Security will mail them a scannable paper application.
- Examples of the qualifier screens follow this section.



SEC.	H	Help With Medicare Prescription Drug Plan Costs							
1-800-772-1213 or TTY 1-800-325-0778, 7am-7pm Monday-Friday									
								Need Help?	
Sī	ГЕР:	Find Out If You Qualify	Complete Application	on	Review	Submit	Print Receipt		
Find Out If You Qualify: Part 2 Of 3									
	Please continue to enter the information below so that we can tell you if you are likely to qualify for extra help.								
NÓ fos	If you receive income from any of the sources listed below, please enter the total MONTHLY income. Do NOT list wages and self-employment, interest income, public assistance, medical reimbursements or foster care payments here. If the amount changes from month to month, enter the average monthly income for the past year.								
ad do	If you need help adding your pensions or annuities, select Add Pensions Or Annuities. If you need help adding your other income, select Add Other Income. The total dollar amount calculated will appear in the dollar amount field on this page when the Add And Use Total button is selected on the page calculating the totals.								
Do	Do you receive Social Security benefits? More Info								
			(O No	○Yes, \$		per month		
Do you receive Railroad Retirement income? More Info									
			(O No	○Yes, \$		per month		
Do you receive Veterans benefits? More Info									
			(O No	○Yes, \$		per month		
Do you receive income from other pensions or annuities? More Info									
					OYes, \$ ensions Or		per month		
Do you receive other income not listed above, including alimony, net rental income, workers' compensation? More Info									
			li A				unt and type(s): Other Income		
							Previous	Continue	

SECULIA SECULIA	H	lelp With Medic	eare Prescript					
		1 000	772 1210 di 111 1 000 d	20 0770,700	, y più rionae	,	Need Help?	
STE	Р:	Find Out If You Qualify	Complete Application	Review	Submit	Print Receipt		
Fir	Find Out If You Qualify: Part 3 Of 3							
	Please continue to enter the information below so that we can tell you if you are likely to qualify for extra help.							
Do	Do you have to pay for things that enable you to work? More Info							
disa cost mod	We will only count part of your earnings towards the income limit if you work and receive Social Security benefits based on a disability or blindness and you have work-related expenses for which you are not reimbursed. Examples of such expenses are the cost of medical treatment and drugs for AIDS, cancer, depression, or epilepsy, a wheelchair; personal attendant services, vehicle modifications, driver assistance, or other special work-related transportation needs, work-related assistive technology, guide dog expenses; sensory and visual aids, and Braille translations.							
				No (es, for blind: (es, for a disa				
Do	Do you expect to earn wages this year? Enter the BEFORE tax amount you think you will earn. More Info							
			01	lo ○Yes, \$		this year		
Do	Do you expect self-employment net earnings or loss this year? Enter the NET amount you think it will be. More Info							
				No (es, net EARN (es, net LOSS		this year		
Hav	Have you recently stopped working or plan to stop working? More Info							
			01	lo ∕es, stopped/	plan to stop	: Month V Year	V	

• MODULE 5 – Objective 2

Information about the Social Security Internet Application

- The Internet application will be available on July 1, 2005 at www.socialsecurity.gov.
- The Internet application is a preferred method of filing. The beneficiary will receive online edits for invalid entries and will be guided to the correct screens needed to complete the application based on responses.
- Online help screens are available to assist in completing the application.
- The Internet application asks the same information that is needed for the scannable paper application.
- You may enter the application directly or through the Subsidy Qualifier.
- There are links to related topics.
- Beneficiaries will be allowed to start the application and return to it. They will be given a re-entry number to access their partially completed application.
- The application is considered received by Social Security when the beneficiary hits the "Submit Now" button and receives online acknowledgement of a successful submission.
- Beneficiaries will receive an online receipt of their Internet subsidy application that they can print.
- A notice of decision will be mailed to beneficiaries when their Internet application has been processed.

SOCIAL SECURITY ADMINISTRATION

Medicare Prescription Drug Program Application Process for Extra Help

Module 6

Ongoing Processes

MODULE 6 - Objective 1

Appeals

- If Social Security processes an application for the help with prescription drug costs and determines that the beneficiary is ineligible, the beneficiary will be sent a pre-decisional letter. The letter will offer the beneficiary 10 days to submit additional information that will be considered before Social Security makes its determination. Social Security will then make an eligibility determination and will send a letter of the decision to the beneficiary.
- If the beneficiary disagrees with the eligibility decision, he or she will have an opportunity to file an appeal. This is also called an administrative review process.
- If the beneficiary is denied eligibility based only on excess resources and files an appeal, Social Security will review his or her income, resources and family size and will include the information in the appeal decision.
- Issues that can be appealed are:
 - Eligibility determination on the application
 - Determination of whether a person can receive full or partial assistance
 - Adjustment of the amount of assistance
 - □ Termination of the assistance
- The beneficiary has a choice between a telephone hearing and a case review.
- The beneficiary can appoint a personal representative.
- If the appeal is denied, the beneficiary may file an appeal for judicial review with the U.S. District Court.

• The appeal rules explained here apply when Social Security makes the initial eligibility determination. If the State makes the initial determination, the person must go through the State appeals process.

MODULE 6 - Objective 2

Subsidy-Changing Events

- When a decision is made that an individual is entitled to full or partial assistance with drug plan costs that decision remains in effect for one year unless there is a subsidy-changing event.
- People who receive the extra help may notify Social Security of certain changes that could affect the amount of their assistance at any time during the year it is in effect. The change is effective the month after the report.
- These changes include:
 - Marriage
 - Divorce
 - Annulment
 - Separation (not temporary)
 - Co-habitation after Separation
 - Death of spouse
- All other events can be reported from August December and any changes that affect the amount of the assistance will be effective in January of the following year.
- These changes could cause the person's assistance to increase, decrease, or terminate.
- Social Security is responsible for processing subsidy-changing events for those people who filed their initial application with Social Security. The States will not process subsidy-changing events for this population.
- When a representative from a State helps a person complete the Social Security scannable or Internet application form and it is submitted to Social Security for processing, the application is considered to have been filed with Social Security.

MODULE 6 - Objective 3

Redeterminations

- The law requires that we periodically redetermine a beneficiary's continuing eligibility for the help with Medicare prescription drug costs. This involves reevaluating a beneficiary's income, family size and resources to see if there should be an increase or decrease in the amount of the assistance or if the assistance should be terminated.
- Redeterminations are performed to determine the amount, if any, of a subsidy a beneficiary is entitled to for a new prospective period, not to review the retroactive period.
- If Social Security processes the initial application, Social Security is responsible for subsequent redeterminations.
- If a State processes the initial application, the State is responsible for the subsequent redeterminations.
- Social Security will contact all beneficiaries before the end of the first year to allow them to report any changes.
- After that, the frequency of redeterminations could change, depending on the likelihood that the person's situation will change.

SOCIAL SECURITY ADMINISTRATION

Medicare Prescription Drug Program Application Process for Extra Help

Module 7

State Resources

MODULE 7 - Objective 1

Available Resources

Social Security will partner with States to provide assistance to individuals who wish to file for the help with Medicare prescription drug costs. Resources for States within each Social Security Region are shown below. CMS Regional Contacts are also shown below.

NOTE: Each region below shows the States and territories in their servicing area. In the New York and San Francisco Regions, although the territories are listed as part of their servicing area, according to MMA, they are not included in this program to provide help with prescription drug costs.

Social Security Regional Contacts:

• BOSTON REGION

(Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont)

Policy/Application Issues and Outreach/Training Issues:

Name: Carol A. Rozen

Title: Lead Medicare Specialist Address: John F. Kennedy Federal Bldg.

19th Fl., Rm. 1900

Boston, MA 02203

Phone: 617-565-2870 Fax: 617-565-2143

E-mail: <u>carol.a.rozen@ssa.gov</u>

NEW YORK REGION

(New York, New Jersey, Puerto Rico and the Virgin Islands)

Policy/Application Issues and Outreach/Training Issues:

Name: Everett Lo

Title: Public Affairs Specialist

Address: 26 Federal Plaza

Rm. 40-100

New York, New York 10278

Phone: 212-264-2715 Fax: 212-264-1444 E-mail: everett.lo@ssa.gov

PHILADELPHIA REGION

(Delaware, Maryland, Pennsylvania, Virginia, West Virginia and District of **Columbia**)

Policy/Application Issues and Outreach/Training Issues:

Name: John Bielski

Regional Medicare Project Manager Title:

Address: 300 Spring Garden St., 7th Fl.

Philadelphia, PA 19123

Phone: 215-597-0738 Fax: 215-597-0428

E-mail: john.bielski@ssa.gov

ATLANTA REGION

(Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina and Tennessee)

Policy/Application Issues:

Name: Tina Skinner

Project Manager, CPS Title: SNAFC, Suite 22T64 Address:

61 Forsyth Street

Atlanta, GA 30303

Phone: 404-562-5765 Fax: 404-562-1325

E-mail: tina.skinner@ssa.gov

Outreach/Training Issues:

Name: Patti Patterson

Title: Regional Public Affairs Specialist

Address: SNAFC, Suite 22T64

61 Forsyth Street Atlanta, GA 30303

Phone: 404-562-5500 Fax: 404-562-5506

E-mail: <u>patti.patterson@ssa.gov</u>

• CHICAGO REGION

(Illinois, Indiana, Michigan, Minnesota, Ohio and Wisconsin)

Policy/Application Issues:

Name: Pat Hayes

Title: RSI Program Expert Address: Center for RSI and SSI

600 W. Madison St., 10th Fl.

Chicago, IL 60661

Phone: 312-575-4235 Fax: 312-575-4245

E-mail: patricia.a.hayes@ssa.gov

Outreach/Training Issues:

Name: Mary Mahler

Title: Regional Communications Director Address: Social Security Administration

Regional Public Affairs Office 600 W. Madison St., 10th Fl.

Chicago, IL 60661

Phone: 312-575-4050 Fax: 312-575-4051

E-mail: mary.mahler@ssa.gov

• DALLAS REGION

(Arkansas, Louisiana, New Mexico, Oklahoma and Texas)

Policy/Application Issues:

Name: Debbie Ray

Title: Medicare Program Specialist

Address: 1301 Young St.

Dallas, TX 75202-5433

Phone: 214-767-4224 Fax: 214-767-4488

E-mail: <u>debbie.ray@ssa.gov</u>

Outreach/Training Issues:

Name: Wes Davis

Title: Public Affairs Officer Address: 1301 Young St.

Dallas, TX 75202-5433

Phone: 214-767-3407 Fax: 214-767-4259 E-mail: wes.davis@ssa.gov

• KANSAS CITY REGION

(Iowa, Kansas, Missouri and Nebraska)

Policy/Application Issues and Outreach/Training Issues:

Name: Sue Alt

Title: Project Manager

Address: 601 E. 12th St., Room 436Z

Kansas City, MO 64106

Phone: 816-936-5737 Fax: 816-936-5727 E-mail: sue.alt@ssa.gov

• <u>DENVER REGION</u>

(Colorado, Montana, North Dakota, South Dakota, Utah and Wyoming

Policy/Application Issues:

Name: Mike Sharrett

Title: Director, Center for Operations Support

Address: Room 1052, FOB

1961 Stout St.

Denver, CO 80294

Phone: 303-844-5473 Fax: 303-844-4280

E-mail: mike.sharrett@ssa.gov

Outreach/Training Issues:

Name: Delia Lasanta

Title: Regional Communications Director

Address: Room 1052, FOB

1961 Stout St. Denver, CO 80294

Phone: 303-844-0840 Fax: 303-844-3674

E-mail: delia.e.lasanta@ssa.gov

• SAN FRANCISCO REGION

(Arizona, California, Hawaii, Nevada, Guam, American Samoa and Northern Mariana Islands

Policy/Application Issues:

Name: Donna Codoni

Title: Director, Center for Programs Support

Address: P.O. Box 4206 (R-6)

Richmond, CA 94804

Phone: 510-970-8236 Fax: 510-970-8101

E-mail: donna.codoni@ssa.gov

Outreach/Training Issues:

Name: Leslie Walker

Title: Regional Communications Director

Address: P.O. Box 4201 (R-6)

Richmond, CA 94804

Phone: 510-970-8431 Fax: 510-970-8218

E-mail: <u>leslie.s.walker@ssa.gov</u>

• <u>SEATTLE REGION</u>

(Alaska, Idaho, Oregon and Washington)

Policy/Application Issues:

Name: Janet Massart

Title: RPST Team Leader

Address: 701 5th Ave.

Suite 2900, M/S 303A

Seattle, WA 98104-7075

Phone: 206-615-2127 Fax: 206-615-2643

E-mail: janet.massart@ssa.gov

Outreach/Training Issues:

Name: Dan Ferrell

Title: Regional Communications Director

Address: 701 5th Ave.

Suite 2900, M/S 301 Seattle, WA 98104

Phone: 206-615-2660 Fax: 206-615-2097

E-mail: dan.ferrell@ssa.gov

CMS Regional Contacts:

• BOSTON REGION

Part D Inquiries – Tom Devins, 617-565-1322

Marva Nathan, 617-565-1234

Help with Drug Costs - Theresa Yuen, 617-565-1213

Monica Henderson, 617-565-1269

Help with Drug Costs

Medicaid Contact - Peggi Leoni, 617-565-1299

• NEW YORK REGION

Part D Inquiries - Nancy Ng, 212-616-2323

Help with Drug Costs - Michelle Melendez, 212-616-2430

• PHILADELPHIA REGION

Part D Inquiries - Monique Scott, 215-861-4508

Help with Drug Costs - Jake Hubik, 215-861-4181

• ATLANTA REGION

Part D Inquiries - Denise Stanley, 404-562-7366

Help with Drug Costs - Cathy Benoit, 404-562-7305

• CHICAGO REGION

Part D Inquiries - Cheryl Powell, 312-353-9845

Help with Drug Costs - Ruth Hughes, 312-353-1670

• DALLAS REGION

Part D Inquiries - Susan McLaughlin, 214-767-6487

Help with Drug Costs - Shirley Glaspie, 214-767-6407

• KANSAS CITY REGION

Part D & Drug Plan Costs Natalie Myers, 816-426-6384

• <u>DENVER REGION</u>

Part D Inquiries - Penny Finnegan, 303-844-7117

Help with Drug Costs - Betty Strecker, 303-844-7028

• SAN FRANCISCO REGION

Part D Inquiries - Henry Tyson, 415-744-3434

Help with Drug Costs - Pat Daley, 415-744-3674

• SEATTLE REGION

Part D & Drug Cost

Inquiries - Michelle Dillon, 206-615-2368

MODULE 7 - Objective 2

List of Materials/Handouts

Social Security Products:

- Electronic demo of the Application for Help with Medicare Prescription Drug Costs
- Video/CD/DVD of training material with audio presentation. (Stand alone product that can be sent to Medicaid offices we are unable to reach through IVT or in-person)
- Online subsidy (eligibility) calculator at www.socialsecurity.gov.
- Link to online subsidy application: <u>www.socialsecurity.gov</u>.
- Scannable paper application (English/Spanish)-Informational copies in 14 other languages available on the multi-language gateway online.
- Message products: #2 pencils and black ink pens
- Fact sheet on the application (English/Spanish)—general distribution. Also made available for download on multi-language gateway
- Q&A's on the application geared to third parties
- Posters on the application (English/Spanish)-available in other languages for downloading from the multi-language gateway.
- E-news and MIP articles (English/Spanish)

CMS Products:

• Pamphlet on Medicare Prescription Drug Program—what it is, how to select a plan, etc. (English/Spanish)

• Fact Sheet on Medicare Prescription Drug Program —overview with "how tos"—including logistical information—enrollment period, etc. (Minimum English/Spanish—consider availability through multilanguage gateway)

SOCIAL SECURITY ADMINISTRATION

Medicare Prescription Drug Program Application Process for Extra Help

Module 8

Glossary of Acronyms

MODULE 8 - Glossary of Acronyms

ALS Amyotrophic Lateral Sclerosis - Lou Gehrig's disease

BWE Blind work expenses

CMS Centers for Medicare & Medicaid Services
DHHS Department of Health and Human Services

ESRD End stage renal disease FBR (SSI) Federal Benefit Rate FPL Federal Poverty Level

IRA Individual retirement accountsIRWE Impairment-related work expensesISM In-kind support and maintenance

MA-PD Medicare Advantage Prescription Drug Plan

MMA Medicare Prescription Drug, Improvement and Modernization

Act of 2003

PDP Prescription Drug Plan

SHIP State Health Insurance Assistance Program

SSA Social Security Administration SSI Supplemental Security Income

WBDOC Wilkes-Barre Data Operations Center

SOCIAL SECURITY ADMINISTRATION

Medicare Prescription Drug Program Application Process for Extra Help

Module 9

Listing of State Codes

MODULE 9 - Listing of State Codes

The "For Official Use Only" box in the upper right hand corner of page two of the Application for Help with Medicare Prescription Drug Plan Costs (the first page of the scannable part of the form) contains two red boxes for the State code. Use the codes below to indicate which State is assisting the beneficiary in completing the application.

CODE	USPS DELIVERY ENTITY
AK	ALASKA
AL	ALABAMA
AP	ALASKA
AR	ARKANSAS
AZ	ARIZONA
CA	CALIFORNIA
CO	COLORADO
CT	CONNECTICUT
DC	DISTRICT OF COLUMBIA
DE	DELAWARE
FL	FLORIDA
GA	GEORGIA
HI	HAWAII
IA	IOWA
ID	IDAHO
IL	ILLINOIS
IN	INDIANA
KS	KANSAS
KY	KENTUCKY
LA	LOUISIANA
MA	MASSACHUSETTS
MD	MARYLAND
ME	MAINE
MI	MICHIGAN
MN	MINNESOTA
MO	MISSOURI
MS	MISSISSIPPI
MT	MONTANA
NC	NORTH CAROLINA
ND	NORTH DAKOTA
NE	NEBRASKA
NH	NEW HAMPSHIRE
NJ	NEW JERSEY
NM	NEW MEXICO
NV	NEVADA
NY	NEW YORK
ОН	OHIO

OK	OKLAHOMA
CODE	USPS DELIVERY ENTITY
OR	OREGON
PA	PENNSYLVANIA
RI	RHODE ISLAND
SC	SOUTH CAROLINA
SD	SOUTH DAKOTA
TN	TENNESSEE
TX	TEXAS
UT	UTAH
VA	VIRGINIA
VT	VERMONT
WA	WASHINGTON
WI	WISCONSIN
WV	WEST VIRGINIA